Top 5 Trading Mistakes to Avoid

Your path to consistent profitability – powered by **Invesia Research**

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Why Do So Many Traders Fail?

<1%

Consistently Profitable

Of all active day traders

90%

Lose Money

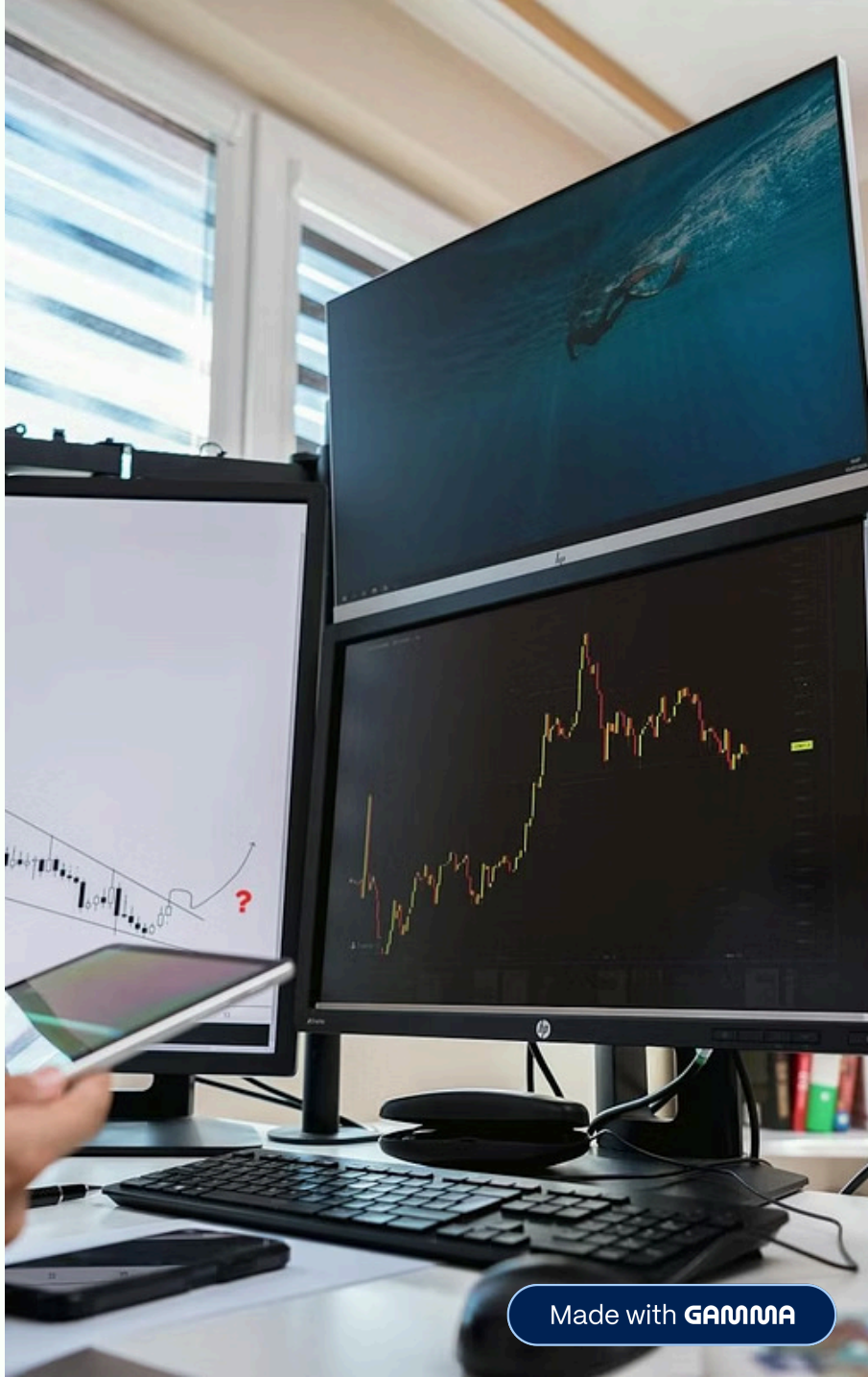
Within the first year

5

Key Mistakes

That separate winners from losers

⚠ The difference isn't luck – it's avoiding common, costly, and preventable mistakes.



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Mistake #1: Trading Without a Plan

THE GUT FEELING TRAP

Entering trades on impulse or tips – not strategy. The thrill of the market overrides preparation.

The Fix: Build a comprehensive trading plan covering strategy, entry/exit rules, and risk management.

No trade without a plan.

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Mistake #2: No Stop Losses

THE HOPE FALLACY

Holding a losing trade, convinced it will recover. Admitting a stop loss means admitting the possibility of being wrong.

The Fix: Always place a stop-loss at entry – non-negotiable. Use bracket orders to bundle entry, stop, and target automatically.

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Mistake #3: Risking Too Much Per Trade

❌ Wrong Approach

Betting 10-20%+ of your account on a single trade

✅ The Rule

Never risk more than **1-2%** per trade

Overconfidence and "get rich quick" thinking destroy accounts. Calculate position size based on your stop distance and risk percentage – every single time.

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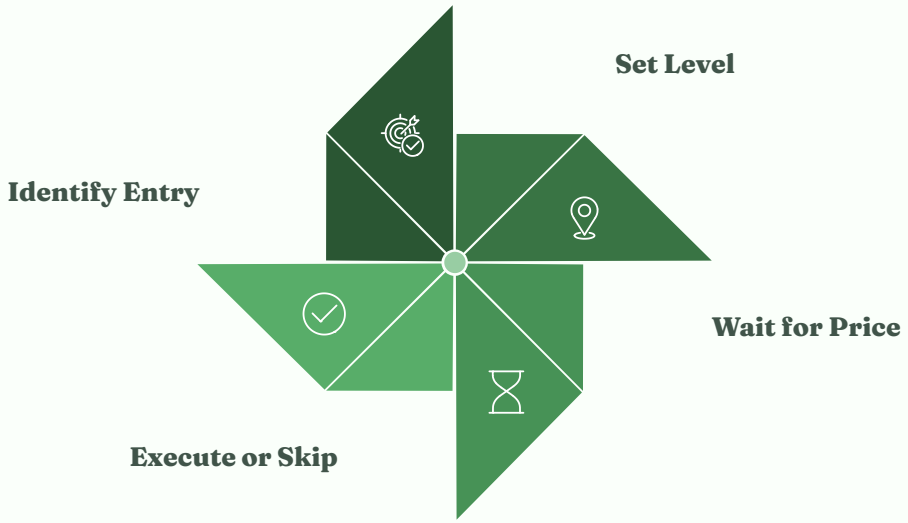
Mistake #4: Chasing Trades (FOMO)

Fear of Missing Out

Buying *after* a stock has already surged, driven by regret or watching others profit. An emotional reaction to market momentum.

The Fix: Only enter at predefined levels with a favorable risk-reward ratio. Miss the entry? Wait for a pullback – or move on.



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Mistake #5: Emotional Trading

The Greed Trap

Overtrading to profit faster – increasing exposure and risk exponentially

The Fear Trap

Paralysis prevents you from entering valid, high-probability setups

The Fix

Cultivate discipline and emotional detachment – review trades objectively, always

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The Power of a Trading Journal

Track. Analyze. Improve.

Your journal is the fastest path to correcting errors and refining strategy.

- Record every trade – entry, exit, rationale
- Identify recurring mistakes and emotional patterns
- Measure performance against your plan
- Self-reflection accelerates growth faster than any indicator

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The Invesia Research Advantage

Expert Insights

Navigate market complexity with research-backed knowledge

Risk Management

Tools and frameworks to protect your capital at every trade

Disciplined Strategy

Trade with a plan, maintain emotional control, and stay consistent

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Your Journey to Profitable Trading Starts Now

01

Build Your Plan

Define strategy, entry/exit rules, and risk parameters before every trade

02

Manage Risk Rigorously

Use stop-losses, size positions wisely, and never risk more than 1-2%

03

Master Your Emotions

Stay disciplined, journal your trades, and detach from fear and greed

04

Trade Smarter with Invesia Research

Leverage expert research and tools to gain your edge in the market

> Trade smarter, not harder – **invesiaresearch.com**

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